

Department of Social and Health Services

DP Code/Title: PL-AD Title IV-E State/Federal Switch

Program Level - 010 Children's Administration

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

Due to increased access to data, the Children's Administration (CA) is better able to identify all children in out-of-home care who are eligible for Title IV-E, and therefore refine the "penetration ratio" calculation. As a result, CA was able to switch an estimated \$20 million General Fund-State (GF-S) to Title IV-E federal funding during the 2001-03 Biennium, and plans to switch an additional \$10 million to federal during the 2003-05 Biennium.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 010			
001-1 General Fund - Basic Account-State	(5,000,000)	(5,000,000)	(10,000,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	5,000,000	5,000,000	10,000,000
Total Cost	0	0	0

Staffing

Package Description:

In 1980, with the passage of the Adoption Assistance and Child Welfare Act, state foster care and adoption programs were provided with a federal entitlement program (Title IV-E) that set out specific standards related to the practices of child welfare. Included in this legislation were descriptions of allowable payments for foster care and adoption support and administrative expenses related to these services. These allowable expenses would be eligible for federal participation. The state only receives federal participation for expenses related to the foster care or adoption support services (direct and administrative) for Title IV-E eligible children.

Allowable administrative costs, generally the cost of social workers performing IV-E allowable activities for the IV-E eligible portion of the foster care population, are usually reimbursed at a match rate of 50 percent. Key to determining allowable administrative costs is the Title IV-E penetration rate. Simply put, the penetration rate is the number of IV-E eligible children divided by the total number of children in foster care. This ratio is applied to eligible expenses, and results in the allowable administrative expenses that will be claimed for federal participation.

Historically, the Washington State Title IV-E foster care penetration rate has been low. CA staff have been working to increase the rate over the past four years. As a result, CA's 2001-03 budget assumed a switch in state to federal of \$20 million in anticipation of the increase in federal spending. CA has been able to refine the Title IV-E calculation, thus increasing the penetration rate from an average of 37 percent to an average of 55 percent per month.

The increase in the penetration rate has resulted in an increase in Title IV-E, which will enable CA to switch approximately \$10 million (\$5 million per year) GF-S to General Fund-Federal (GF-F) during the 2003-05 Biennium.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The decision package contributes directly to CA's 2004-09 Strategic Plan by fulfilling the strategy to increase federal IV-E funding. This strategy supports CA's goal to continuously improve the organization's capacity to achieve better outcomes for children and families.

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Performance Measure Detail

Goal:

Incremental Changes
FY 1 FY 2

Reason for change:

To maximize CA's use of federal funding.

Impact on clients and services:

None

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

There will be a savings in GF-S dollars.

Distinction between one-time and ongoing costs:

None

Effects of non-funding:

None

Expenditure Calculations and Assumptions:

The effect of the switch from GF-S to GF-F is cost neutral.

Object Detail

FY 1

FY 2

Total

Program Totals

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DSHS Source Code Detail

Program 010		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(5,000,000)	(5,000,000)	(10,000,000)
<i>Total for Fund 001-1</i>		<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(10,000,000)</u>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
658L	Title IV-E-Foster Care (50%)	5,000,000	5,000,000	10,000,000
<i>Total for Fund 001-A</i>		<u>5,000,000</u>	<u>5,000,000</u>	<u>10,000,000</u>
Total Program 010		<u>0</u>	<u>0</u>	<u>0</u>